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*Governor*

STATE OF NEVADA  
DEPARTMENT OF BUSINESS AND INDUSTRY  
DIVISION OF MORTGAGE LENDING  
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TERRY JOHNSON  
*Director*

JAMES WESTRIN  
*Commissioner*

Date: February 6, 2012  
To: Construction Control Companies  
From: Division of Mortgage Lending  
Re: Construction Control Licensing Requirements

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This notice is being provided to inform you of recent changes to the Nevada Revised Statutes that may require you or your company to obtain a license under NRS 645A and to provide you with information concerning the licensing process.

Pursuant to Assembly Bill No. 77 ("AB 77") passed during the 76<sup>th</sup> Session of the Nevada Legislature and signed into law on June 17, 2011, effective July 1, 2011, any person engaged in the business of a construction control is required to obtain a license under the Escrow Agencies and Agents Licensing Act (the "Act"), NRS 645A.010 *et seq.*

Specifically, AB 77 amended the definition of the term "escrow", as defined in NRS 645A.010(4), to include "the performance of the services of a construction control." The Act adopts the definition of "construction control" set forth in NRS 627.050, which provides:

A "construction control" is any person that engages in the control or disbursement of any funds payable or paid to laborers, materialmen, material suppliers, contractors, subcontractors, architects, engineers or others, for the purpose of satisfying bills incurred in construction, repair, alteration or improvement of any premises or that engages in the processing or approval of any mechanic's lien release, voucher or authorization for payment of a labor bill, or material bill where such bill is incurred in the construction, repair, alteration or improvement of any premises.

Accordingly, any person engaged in the business of a construction control is required to obtain a license under the Act as an escrow agency and/or escrow agent.

The Division sent an initial notice regarding the new licensing requirements to affected identified parties in July 2011 and also posted this information to its website. The time period for provisional licensing has expired. To avoid possible disciplinary action for unlicensed activity, persons engaged in the business of a construction control are advised to complete and submit the appropriate application for licensure as an Escrow Agency and/or an Escrow Agent. The Application may be found on the Division's website at [mld.nv.gov](http://mld.nv.gov) under the Forms link.

You or your company has been identified as a person that appears to be engaged in the business of a construction control. Therefore, unless you or your company are otherwise exempt from the Act, you or your company are required to be licensed as an escrow agency or escrow agent.

To ensure you and your company are appropriately licensed and in compliance with the Act, you are advised to review NRS 645A to determine your licensing obligations and respond to this notice by doing one of the following **no later than February 20, 2012:**

- 1) Submit the appropriate completed application, and related fees and documents, for licensure as an escrow agency or escrow agent, or
- 2) Submit a written explanation demonstrating that you or your company are not required to obtain a license under the Act.

Applications are to be submitted to the Division of Mortgage lending at 1830 College Parkway, Suite 100, Carson City, Nevada 89706.

If you have any questions regarding this matter, please contact the Division at (775) 684-7060.